

**MANAGEMENT PROGRAMME**

**(MP)**

**Term-End Examination**

**December, 2025**

**MS-4 : ACCOUNTING AND FINANCE FOR  
MANAGERS**

*Time : 3 Hours*

*Maximum Marks : 100*

---

**Note :** (i) Answer any **five** questions.

(ii) All questions carry equal marks.

---

---

1. (a) Explain the Business Entity Concept and the Consistency Concept. Can a company deviate from following the consistency concept ? If so, when and how ?
- (b) Explain any *two* methods of inventory valuation with the help of an example.

2. Discuss the importance of cash and cash flow statement. How is the length of the cash cycle determined ? How does the length of the cash cycle affect the requirement of working capital of a firm ? Discuss.
3. What is CVP Analysis ? Describe the basic CVP model. How would you compute the Break-Even Point ?
4. Explain the concepts of 'Financial Leverage' and 'Operating Leverage' by giving examples. How is the degree of these leverages calculated ?
5. Discuss the technique of Zero Based Budgeting. What are the steps involved in Zero Based Budgeting ? Discuss the advantages of Zero Based Budgeting.
6. Discuss the concept of Working Capital. Explain the concept of operating cycle and discuss how optimum cash balance is determined.

[ 3 ]

7. You are required to prepare a Statement of Cost under Absorption Costing, from the following information :

|                    | Products |        |        |
|--------------------|----------|--------|--------|
|                    | A (₹)    | B (₹)  | C (₹)  |
| Direct Materials   | 7,500    | 30,000 | 3,000  |
| Direct Wages       | 9,000    | 9,000  | 1,500  |
| Factory Overhead : |          |        |        |
| Fixed              | 3,000    | 1,500  | 1,500  |
| Variable           | 3,900    | 9,000  | 4,500  |
| Selling Overhead : |          |        |        |
| Fixed              | 1,500    | 900    | 600    |
| Variable           | 2,100    | 6,000  | 3,000  |
| Sales              | 32,000   | 61,000 | 16,000 |

8. Write notes on any *four* of the following :
- (a) Overhead Cost Variance
  - (b) Money Measurement Concept
  - (c) Fixed Cost
  - (d) Debt-Equity Ratio
  - (e) Internal Rate of Return
  - (f) Bonus Shares

x x x x x